

Applicants respectfully traverse the Examiner's assessment of these requested claim amendments.

37 C.F.R. § 1.116(b) states that:

After a final rejection or other final action (§ 1.113) in an application . . . amendments may be made canceling claims or complying with any requirement of form expressly set forth in a previous Office Action. Amendments presenting rejected claims in a better form for consideration on appeal may be admitted.

Section 714.12 of the *Manual of Patent Examination Procedure* explains that:

Any amendment that will place the application either in condition for allowance or in better form for appeal may be entered. Also, amendments complying with objections or requirement as to form are to be permitted after final action in accordance with 37 C.F.R. § 1.116(b).

MPEP § 714.13 III also makes clear that "the refusal to enter the proposed amendment should not be arbitrary." Finally, 37 C.F.R. § 116(c) additionally provides that even if an amendment might not otherwise be proper under Rule 116(b), it still may be admitted upon a showing of good and sufficient reasons why it is necessary and was not earlier presented.

In the Examiner's November 17, 2005 Office Action for this Application, claims 1, 6, and 24 were rejected under 35 U.S.C. § 112, ¶ 2 as being indefinite due to insufficient antecedent basis for a number of limitations appearing in those claims. Every single one of the amendments to claims 1, 6, and 24 contained within the March 17th Amendment were made by Applicants in response to those indefiniteness rejections. None of these claim amendments added any limitations that were not already present in those same claims. Rather, they more clearly stated the antecedent basis within the claims for those preexisting limitations in order to comply with the Examiner's requirement of form set forth in her November 17th Office Action and place those claims in a condition for allowance. More specifically:

1. Claim 1(b and f) already clearly stated that the participant would receive the reward under the claimed incentive system, so providing in the preamble of the amended claim that the incentive is to be provided to the participant is not new;

2. The "prior successive performance level" term added to claim 1(a and b) is merely a substitution for the "preexisting previous performance level" and "previous lower performance level" limitations that previously existed in the claim and that the Examiner said was unclear; and
3. The "hierarchy" term added to the end of claim 1(a) merely referenced the "hierarchy of participant performance levels" limitation that was already present in claim 1(a and c).

Therefore, none of the claim amendments added any new limitations to the claims, or altered existing limitations in such a manner that additional prior art searching should be required. Applicants respectfully request that the Examiner reconsider her refusal under the Advisory Action to enter the claims amendments on these procedural grounds, so that she can then: (a) consider them substantively to determine whether they overcome her prior indefiniteness rejections; and (2) proceed to the substantive arguments made by Applicants in the Amendment for distinguishing from the claimed invention the prior art cited under her prior obviousness rejections. Please note that none of the claim amendments were made to distinguish these prior art references or respond to the Examiner's obviousness rejections.

In view of the imminent May 17th deadline for placing the claims in a condition for allowance or filing an appeal, if the Examiner believes that a telephone conference would advance the prosecution of this Application, she is invited to telephone the undersigned attorney at the below-listed telephone number.

Respectfully submitted,

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